

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

W-02510A
Boynton Canyon Enchantment Homeowners
Association
525 Boynton Canyon Rd.
Sedona, AZ 86336

RECEIVED

APR 03 2006

**Z Corporation Commissic
Director of Utilities**

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2005 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
| ANN04 | 05 |
|-------|----|

entered
4-4-06
RF

COMPANY INFORMATION

Company Name (Business Name) BOYNTON CANYON ENCHANTMENT HOMEOWNERS ASSOCIATION
WATER UTILITY COMPANY

Mailing Address 525 BOYNTON CANYON ROAD
(Street)

SEDONA
(City)

AZ
(State)

86336
(Zip)

928-204-6264
Telephone No. (Include Area Code)

928-204-2936
Fax No. (Include Area Code)

N/A
Pager/Cell No. (Include Area Code)

Email Address SKnight@enchantmentresort.com

Local Office Mailing Address SAME AS ABOVE
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: SUSANNE KNIGHT
(Name)

HOA MANAGER
(Title)

525 BOYNTON CANYON ROAD SEDONA
(Street) (City)

AZ. 86336
(State) (Zip)

928-204-6264
Telephone No. (Include Area Code)

928-204-2936
Fax No. (Include Area Code)

N/A
Pager/Cell No. (Include Area Code)

Email Address SKnight@enchantmentresort.com

On Site Manager: RICK VILLAGOMEZ
(Name)

525 BOYNTON CANYON ROAD SEDONA
(Street) (City)

AZ. 86336
(State) (Zip)

928-204-6264
Telephone No. (Include Area Code)

928-204-2936
Fax No. (Include Area Code)

N/A
Pager/Cell No. (Include Area Code)

Email Address RVILLA@ENCHANTMENTRESORT.COM

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: GEORGE LIDICKER

(Name)

508 BOYNTON CANYON ROAD SEDONA

(Street)

(City)

AZ

(State)

86336

(Zip)

928-204-6264

Telephone No. (Include Area Code)

928-204-2936

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

BCEHOB WATER UTILITY COMPANY

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|--|-----------------------|-------------------------------------|--------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | | | |
| 307 | Wells and Springs | 96,969.49 | 36,440.00 | 60,507.29 |
| 311 | Pumping Equipment | 56,399.24 | 29,097.36 | 27,301.88 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | | | |
| 331 | Transmission and Distribution Mains | 114,173.00 | 73,736.31 | 40,436.69 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | | | |
| 335 | Hydrants | 4,894.04 | 861.18 | 3,982.86 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 272,385.77 | 140,156.85 | 132,228.72 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME **BCE HOA WATER UTILITY COMPANY**

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|--|----------------------|-----------------------------|----------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | | | |
| 307 | Wells and Springs | 6801.66 90,167.74 | 0% 3.60125% | \$3,247.17 |
| 311 | Pumping Equipment | 56,399.84 | 8.44115% | \$4,760.74 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | | | |
| 331 | Transmission and Distribution Mains | 114,173.02 | 8.33333% | \$9,514.42 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | | | |
| 335 | Hydrants | 4,844.04 | 6.66674% | \$322.94 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 272,388.68 | 6.551.47 | 17,845.28 |

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME **BCE HOA WATER UTILITY COMPANY**

BALANCE SHEET

| Acct No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-------------|---|------------------------------------|------------------------------|
| | ASSETS | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 6,701.86 | \$ 4,786.41 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | \$ 9,927.89 | \$ 10,742.65 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 16,628.95 | \$ 15,529.06 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 280,870.82 | \$ 272,385.77 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | \$ 130,796.82 | \$ 140,157.05 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 150,074.00 | \$ 132,228.72 |
| | TOTAL ASSETS | \$ 116,702.95 | \$ 147,757.78 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME **BCE HOA WATER UTILITY COMPANY**

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------|---|------------------------------|------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$ 2,452.66 | \$ 60.28 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | \$ 5,798.04 | \$ (353.24) |
| 235 | Customer Deposits | | |
| 236 | Accrued Taxes | \$ 623.95 | \$ 657.62 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | \$ 8,874.65 | \$ 364.66 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 140,330.28 | \$ 120,962.17 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ 0 | \$ 0 |
| 252 | Advances in Aid of Construction | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ 0 | \$ 0 |
| | TOTAL LIABILITIES | \$ 149,206.93 | \$ 121,326.83 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ | \$ |
| 211 | Paid in Capital in Excess of Par Value | | |
| 215 | Retained Earnings | | |
| 218 | Proprietary Capital (Sole Props and Partnerships) | \$ 17,496.02 | \$ 26,430.95 |
| | TOTAL CAPITAL | \$ 17,496.02 | \$ 26,430.95 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 166,702.95 | \$ 147,757.78 |

COMPANY NAME **BCE HOA WATER UTILITY COMPANY**

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|---------------|---------------|
| 461 | Metered Water Revenue | \$ 134,101.64 | \$ 137,075.26 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | \$ 1,447.68 | \$ 326.75 |
| | TOTAL REVENUES | \$ 135,549.22 | \$ 137,402.01 |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 22,850.13 | \$ 22,596.94 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | \$ 1090.85 | \$ 891.73 |
| 618 | Chemicals | | |
| 620 | Repairs and Maintenance | \$ 246,006.08 | \$ 65,997.34 |
| 621 | Office Supplies and Expense | \$ 4,528.76 | \$ 3,841.71 |
| 630 | Outside Services | \$ 6,137.48 | \$ 10,816.88 |
| 635 | Water Testing | \$ 461.14 | |
| 641 | Rents | | |
| 650 | Transportation Expenses | \$ 2,303.40 | \$ 2,554.24 |
| 657 | Insurance – General Liability | \$ 5,488.67 | \$ 5,267.47 |
| 659 | Insurance - Health and Life | | |
| 666 | Regulatory Commission Expense – Rate Case | | |
| 675 | Miscellaneous Expense | | |
| 403 | Depreciation Expense | \$ 14,696.52 | \$ 17,845.28 |
| 408 | Taxes Other Than Income | | |
| 408.11 | Property Taxes | | |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$ 303,563.00 | \$ 119,801.59 |
| | OPERATING INCOME/(LOSS) | \$ 168,013.78 | \$ 17,600.42 |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ 0 | \$ 0 |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | \$ 17,570.92 | \$ 18,665.49 |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ 17,570.92 | \$ 18,665.49 |
| | NET INCOME/(LOSS) | \$ 175,584.70 | \$ 8,924.93 |

COMPANY NAME **BCE HOA WATER UTILITY COMPANY**

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------------|---------|---------|---------|
| Date Issued | 1/22/04 | | | |
| Source of Loan | CHASE | | | |
| ACC Decision No. | N/A | | | |
| Reason for Loan | WELL | | | |
| Dollar Amount Issued | \$ 152,479.00 | \$ | \$ | \$ |
| Amount Outstanding | \$ 120,962.17 | \$ | \$ | \$ |
| Date of Maturity | 2/1/2011 | | | |
| Interest Rate | 6.5 % | % | % | % |
| Current Year Interest | \$ 8,665.49 | \$ | \$ | \$ |
| Current Year Principle | \$ 19,370.75 | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME **BCE HOA WATER UTILITY COMPANY**

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-600173 | 10 | 50 | 850' | 6" | 1 1/2" | 84 |
| 55-545341 | 30 | 69 | 1040' | 8" | 2" | 95 |
| BACK UP | 30 | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
| N/A | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|---------------|----------|-------------------|----------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 5 HP | 1 | 14 | 1 |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|-----------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| 100,000 GALLONS | 2 | N/A | |
| | | | |
| | | | |
| | | | |

COMPANY NAME **BCE HOA WATER UTILITY COMPANY**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | PVC | 575 |
| 3 | PVC | 1,635 |
| 4 | | |
| 5 | | |
| 6 | PVC | 7,966 |
| 8 | PVC | 1,816 |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 75 |
| 3/4 | |
| 1 | 6 |
| 1 1/2 | 16 |
| 2 | 1 |
| Comp. 3 | 2 |
| Turbo 3 | |
| Comp. 4 | |
| Tubo 4 | |
| Comp. 6 | |
| Tubo 6 | |
| | |
| | |

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: BCEHOA WATER UTILITY COMPANY

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD | GALLON PUMPED (Thousands) |
|-----------|---------------------|---------------|------------------------------|
| JANUARY | 101 | 1,393,500 | 1,393,500 |
| FEBRUARY | 101 | 1,570,690 | 1,570,690 |
| MARCH | 101 | 1,826,520 | 1,826,520 |
| APRIL | 101 | 1,930,900 | 1,930,900 |
| MAY | 101 | 1,917,850 | 1,917,850 |
| JUNE | 101 | 1,854,370 | 1,854,370 |
| JULY | 101 | 2,009,320 | 2,009,320 |
| AUGUST | 101 | 1,835,430 | 1,835,430 |
| SEPTEMBER | 101 | 1,660,710 | 1,660,710 |
| OCTOBER | 101 | 1,730,170 | 1,730,170 |
| NOVEMBER | 101 | 1,181,009 | 1,181,009 |
| DECEMBER | 101 | 1,216,091 | 1,216,091 |
| TOTAL | | 18,210,627.85 | 18,210,627.85 |

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 3.0 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME BCE HOA WATER UTILITY COMPANY YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. All property Tax is paid by the BOYNTON CANYON
HOA because the Water Co. Is Not Its own Entity. The Association
holds a Certificate of Public Convenience and Necessity from the
Arizona Corporation Commission. Authorizing it to operate as a
Water Utility Co.

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 03 2006

Z Corporation Commission
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

| | |
|--------------------------------|--------------------------------------|
| COUNTY OF (COUNTY NAME) | <u>YAVAPAI</u> |
| NAME (OWNER OR OFFICIAL) TITLE | <u>SUSANNE KNIGHT / MANAGER</u> |
| COMPANY NAME | <u>BCE HOA WATER UTILITY COMPANY</u> |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2005 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Susanne Knight
SIGNATURE OF OWNER OR OFFICIAL
928-204-2936
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

| | |
|-------------|-------|
| COUNTY NAME | |
| MONTH | .20__ |

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

COMPANY NAME BCE HOA WATER UTILITY COMPANY YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported N/A
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 1
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Susanne Knight
SIGNATURE

3/29/06
DATE

SUSANNE KNIGHT
PRINTED NAME

MANAGER
TITLE

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

APR 03 2006

Z Corporation Commissic
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| |
|--------------------------------------|
| COUNTY OF (COUNTY NAME) |
| <u>YAVAPAI</u> |
| NAME (OWNER OR OFFICIAL) TITLE |
| <u>SUSANNE KNIGHT / MANAGER</u> |
| COMPANY NAME |
| <u>BCE HOA WATER UTILITY COMPANY</u> |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2005 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 145,910.35

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 8,508.32
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Susanne Knight
SIGNATURE OF OWNER OR OFFICIAL
928-204-6264
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

| |
|----------------|
| COUNTY NAME |
| <u>Yavapai</u> |
| MONTH |
| <u>March</u> |
| YEAR |
| <u>2006</u> |



Linda Walker
SIGNATURE OF NOTARY PUBLIC

RECEIVED

APR 03 2006

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

Corporation Commissio
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--|-------------------------|
| COUNTY OF (COUNTY NAME) <u>YAVAPAI</u> | |
| NAME (OWNER OR OFFICIAL) <u>SUSANNE KNIGHT</u> | TITLE <u>MANAGER</u> |
| COMPANY NAME <u>ACE HOA WATER UTILITY COMPANY</u> | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

| | | |
|-----------|-----------|-------------|
| MONTH | DAY | YEAR |
| <u>12</u> | <u>31</u> | <u>2005</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

| |
|--|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>10,722.41</u> |
|--|

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 651.38
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Susanne Knight
SIGNATURE OF OWNER OR OFFICIAL
928-204-6264
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

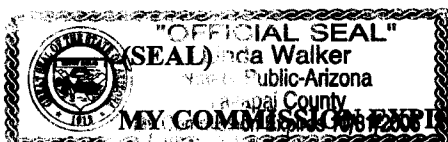
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

| | |
|---|---------------------|
| NOTARY PUBLIC NAME <u>LINDA WALKER</u> | |
| COUNTY NAME <u>Yavapai</u> | |
| MONTH <u>March</u> | YEAR <u>2006</u> |



X

Linda Walker

SIGNATURE OF NOTARY PUBLIC